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Chirac seeks freer industry, new terrorism laws

By Andrew Borowiec
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PARIS — Prime Minister Jacques Chirac asked the National Assembly yesterday for sweeping powers to restructure the French economy and outlined a far-reaching set of countermeasures against international terrorism.

The head of France's new conservative government called for "a dose of liberty" for French industrial enterprises, including the "freedom to set prices, freedom to compete without exchange controls."

He told the 577-member Assembly that his government would push immediately for "privatization" of enterprises nationalized by the Socialists ousted from power in the March 16 legislative election.

He promised a country strong militarily, with an accent on nuclear defense and on a tactical, mobile force to be used in crisis areas. France will remain loyal to Western alliances but with its sovereignty intact, Mr. Chirac said.

The forceful speech, which lasted more than an hour, revealed a prime minister determined to govern the country despite the difficulties of coexistence with Socialist President Francois Mitterrand, whose term lasts two more years. On Tuesday, President Mitterrand told the Assembly he intended to remain the supreme arbiter of the French government. Yesterday, he warned he would not sign some denationalization decrees.

In stressing measures to counter the growing terrorist threat, Mr. Chirac reflected the anguish of his compatriots in the face of insecurity threatening their everyday lives. Even as he spoke, news was broadcast of the suspected kidnapping in Beirut of another French citizen, which would raise the number of French kidnapping victims held there to nine.

Mr. Chirac said his government planned to introduce a special category for terrorist crimes, making them punishable by a maximum of 30 years in prison. Special courts dealing with terrorism will be set up, the legal period of preventative arrest will be extended, undesirable foreigners will be expelled, new identity cards will be introduced and police controls will be multiplied throughout France, he said.

Mr. Chirac's government yesterday appointed Bernard Gerard as director of the DST, the counter-espionage agency. Mr. Gerard, 53, the governor of French

Polynesia, coped with Basque terrorists as assistant governor of the Bayonne district of southwestern France from 1980 to 1982.

Mr. Gerard replaces Remy Pautrat, 46, who had been appointed to head the DST by the Socialists. The conservative government had been expected to replace top security officials with men recommended by the new security minister,

Robert Pandraud.

The bulk of the speech dealt with the economy and Mr. Chirac's views on how to improve it. "Our country has lost ground in the race among the great nations," he told the parliamentarians.

Without naming his Socialist predecessors, he spoke of rising unemployment, the external trade deficit, antiquated industry and excessive governmental controls. He promised efforts to stimulate investment and to boost employment for the young in a free economy.

Mr. Chirac said that "nuclear equilibrium should be maintained in Europe," and he called for a permanent dialogue with the Soviet bloc.

Addressing the assembly immediately after Mr. Chirac's speech, Lionel Jospin, secretary general of the Socialist Party, described the government's program as "dogmatic and unrealistic." He described as "dangerous" the recent 6 percent devaluation of the franc.

Reminding Mr. Chirac that the Socialists continue to be the largest single group in the assembly, Mr. Jospin warned, "We condemn your projects and we will fight them."

Speaking for the 35 parliamentarians of the extreme right-wing National Front, party leader Jean-Marie Le Pen said, "I am sorry, Mr. Prime Minister. We have no confidence in your government."

Other moves indicating firm attitudes toward terrorism by the new government involved lower-level but significant figures in the counterterrorist and counter-espionage units.

Under a previous director of the DST, Yves Bonnet, the DST compiled evidence to expel 47 Soviet diplomats and newsmen for spying in 1983. The information that exposed them came from a KGB colonel in Moscow.

The DST official who persuaded that colonel to name the KGB agents in

France, Raymond Nart, 49, was promoted yesterday to controller-general by Mr. Pandraud, and will stay in the DST, the security ministry announced.

Mr. Nart is said to be one of the world's foremost experts on Soviet espionage and is highly esteemed by the Central Intelligence Agency, the French news organization Agence France-Presse reported.

Mr. Bonnet was appointed by the Cabinet yesterday to govern the French Caribbean island of Guadeloupe, the scene of agitation and bombings by pro-independence militants.

Mr. Pautrat was appointed secretary-general of the Paris Regional Prefecture. Thus both Mr. Bonnet and Mr. Pautrat have important posts and were not sent to the Police General Inspection Office, known as an "elephants' cemetery" for police officials in disgrace.

Tom Nuzum contributed to this report.